



Office of the Governor

Funding Announcement: **SB8 – Coronavirus State Fiscal Recovery Fund (CSFR), FY 2022**

Purpose

The purpose of this program is to administer Texas' allocation of the Coronavirus State Fiscal Recovery Fund established under the federal American Rescue Plan Act (ARPA) of 2021 and subsequently appropriated by Senate Bill 8, 87th Legislature, Third Called Special Session.

Available Funding

Federal funding is authorized for these projects under Section 9901 of the American Rescue Plan Act (ARPA), Pub. L. No. 117-2, which amends Title VI of the Social Security Act by adding section 602 to establish the Coronavirus State Fiscal Recovery Fund (42 U.S.C. Section 802).

Eligible Organizations

Applications may only be submitted by state agencies specifically provided appropriations from the Coronavirus State Fiscal Recovery Fund in Senate Bill 8, 87th Legislature, Third Called Special Session.

Application Process

Applicants must access the Office of the Governor's eGrants grant management website at <https://eGrants.gov.texas.gov> to register and apply for funding. For more instructions and information, see the OOG's *eGrants User Guide to Creating an Application*, available [here](#).

Key Dates

Action	Date
Funding Announcement Release	01/26/2021
Online System Opening Date	01/26/2021
Final Date to Submit and Certify an Application	02/28/2022 at 5:00pm CST

Funding Levels

Maximum: Requested amounts may not exceed appropriations listed in Senate Bill 8, 87th Legislature, Third Called Special Session.

Standards

Grantees must comply with standards applicable to this fund source cited in the Texas Grant Management Standards ([TxGMS](#)), [Federal Uniform Grant Guidance](#), the U.S. Department of Treasury rules relating to the State and Local Fiscal Recovery Funds (SLFRF) program, and all statutes, requirements, and guidelines applicable to this funding.

Eligible Activities and Costs

Due to the manner in which CSFR funds were awarded to the State of Texas in combination with State Legislative Appropriation direction, agencies must ensure all activities and costs are in accordance with both State and Federal eligibility and allowability requirements.

State Requirements

Pursuant to Section 50 of Senate Bill 8, 87th Legislature, Third Special Called Session:

“(a) It is the intent of the legislature that the appropriations made by this Act:

(1) are one-time appropriations made for the purpose of addressing the needs of this state for the two-year period beginning on the effective date of this Act; and

(2) be used:

(A) only for purposes authorized by state and federal law, including guidance issued by the United States Department of the Treasury in 86 Fed. Reg. 26786 (May 17, 2021); and

(B) before all other methods of finance, if more than one method of finance is available for the applicable purpose.”

(b) Except as specifically provided otherwise by this Act, it is the intent of the legislature that, if the United States Department of the Treasury or any other qualified state or federal authority determines that an appropriation made by this Act has been made for an improper use, the appropriated money not be spent and shall be retained in the treasury and available for later legislative appropriation.

Note: Agencies must also comply with applicable additional requirements prescribed within each Section of SB 8; specifically the Legislatively-prescribed purposes found in Section 51.

Federal Requirements

On May 17, 2021, the U.S. Department of the Treasury published its interim final rule relating to the SLFRF program. Following the passage of Senate Bill 8, the U.S. Department of the Treasury published its final rule relating to the SLFRF program. The U.S. Department of Treasury’s final rule takes effect on April 1, 2022. Per the U.S. Department of Treasury:

Until that time, the interim final rule [IFR] remains in effect; funds used consistently with the IFR while it is in effect are in compliance with the SLFRF program. However, recipients can choose to take advantage of the final rule’s flexibilities and simplifications now, even ahead of the effective date. Treasury will not take action to enforce the interim final rule to the extent that a use of funds is consistent with the terms of the final rule, regardless of when the SLFRF funds were used.

See <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-Overview.pdf>.

Subject to additional qualifications in the final rule, and as described further in the final rule, Title 31 CFR Part §35.6 *Eligible Uses* under the final rule include:

- Responding to the public health impacts of the public health emergency for purposes including:
 - COVID-19 mitigation and prevention;
 - Medical expenses related to testing and treating COVID-19;
 - Behavioral health care; and
 - Preventing and responding to increased violence resulting from the public health emergency.
- Responding to the negative economic impacts of the public health emergency for purposes including:
 - Assistance to households and individuals;
 - Assistance to small businesses;
 - Assistance to nonprofit organizations;
 - Assistance to tourism, travel, hospitality, and other impacted industries; and
 - Expenses to support public sector capacity and workforce.
- Providing premium pay to eligible workers.
- Providing government services.
- Making necessary investments in water, sewer, and broadband infrastructure:
 - Water and sewer investments; and
 - Broadband investments.

Program-Specific Requirements

Compliance & Monitoring Plan. Applicants must describe their compliance and monitoring plan to ensure these funds are spent in accordance with both state and federal statutes, requirements, and guidelines applicable to this funding source including, but not limited to, Senate Bill 8 and U.S. Department of Treasury rules relating to the SLFRF program.

Reporting and Requests for Information. Pursuant to U.S. Department of Treasury rules relating to the SLFRF program, recipients shall provide periodic reports providing detailed accounting of the uses of funds, all modifications to tax revenue sources, and such other information as required for the administration of the funds.

In addition to regular reporting requirements, the Office of the Governor may request other additional information as may be necessary or appropriate, including as may be necessary to prevent evasions of any applicable requirements.

Program Liaison. Agencies must identify a primary and secondary program liaison who will be the main points of contact for all reporting, requests for information, and assistance with any potential federal monitoring reviews and/or audits of Coronavirus State and Local Fiscal Recovery Funds. These individuals should be familiar with 2 CFR 200 Costs Principles, Title 31 CFR Part 35 Subpart A (both the interim final rule and the final rule), and Generally Accepted Accounting Principles. The Primary Program Liaison must be assigned as the Project Director role on the “Profile” Tab. Agencies may amend or update this position throughout the project period via a Grant Adjustment.

Note: All associated time and activity conducted by a Program Liaison as well as expenses for third-party monitoring/reporting may be eligible uses of Coronavirus State and Local Fiscal Recovery Funds.

Eligibility Requirements

1. Eligible applicants must have a DUNS (Data Universal Numbering System) number assigned to its agency (to request a DUNS number, go to <https://fedgov.dnb.com/webform>).
2. Eligible applicants must be registered in the federal System for Award Management (SAM) database located at <https://www.sam.gov/>.

Failure to comply with program or eligibility requirements may cause funds to be withheld and/or suspension or termination of grant funds.

Contact Information

For more information, contact Andrew Friedrichs at andrew.friedrichs@gov.texas.gov or (512) 463-8232.